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From: Balven, Lyndi, Col, OSD-ATL [mailto:Lyndi.Balven@osd.mil]
Sent: Sunday, February 16, 2003 2:30 PM
Subject: ELECTRONIC SUBMISSION AND PROCESSING OF PAYMENT REQUESTS

To all --

On February 6, 2003, the Under Secretary of Defense (Acquisition, Technology and Logistics) and the Under Secretary of Defense (Comptroller) issued a joint memorandum endorsing the rapid implementation of Wide Area Workflow (WAWF) throughout the Department of Defense (DOD). WAWF provides the capability for industry to submit contract payment requests and receiving reports, and the Government to inspect, accept, receive and pay, electronically. Full implementation of this capability will result in substantial benefits to DoD and industry through reduced business operating costs, increased transparency in the payment process, improved accuracy and reduced interest charges for late payments.

The Department will publish the policy and procedures for Electronic Submission and Processing of Payment Requests in the DoD Federal Acquisition Regulation Supplement (DFARS) on or about February 20, 2003 with an effective date of March 1, 2003. The DFARS will require contractors to submit, and DoD to process, contract payment requests electronically. Some exceptions are authorized. One of the exceptions enables the contracting officer, payment office and contractor to mutually agree on alternative methods when electronic systems are not available to ensure timely payments. The DFARS changes will be published in the Federal Register to allow public comments for a 60 day period.

Implementing WAWF supports the President's Management Agenda for E-Government and is major components of the Department's compliance with the requirements of Section 1008 of the National Defense Authorization Act for Fiscal Year 2001. A copy of the February 6, 2003 memo is attached and it identifies DoD's points of contact.

V/R - Col Lyndi Balven

Director, Operations

Defense Procurement and Acquisition Policy



OFFICE OF THE SECRETARY OF DEFENSE

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06 FEB 2003

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTOR, ADMINISTRATION AND MANAGEMENT

SUBJECT: Wide Area Workflow Implementation

Wide Area Workflow (WAWF) is an automated system that allows vendors to electronically submit invoices and receiving reports, and the Government to inspect, accept, receive and pay electronically. It supports the President's Management Agenda item for E-Government and is a major component of the Department's compliance with the requirements of Section 1008 of the Fiscal Year 2001 National Defense Authorization Act concerning electronic invoicing. It also contributes to the Department's goal of reducing interest charges for late payments to vendors.

The Defense Contract Management Agency (DCMA) is currently deploying this capability to those industry partners with the greatest volume of monthly receiving reports and invoices. Additionally, the Military Departments have ongoing post/camp/station pilots. The results to date show that where WAWF is used, it virtually eliminates late payments and associated interest penalties. At the same time, it reduces administrative costs by eliminating manual processing and the impact of lost or misrouted documents. Vendors also achieve substantial benefits from using WAWF by eliminating the time associated with mailing and processing documents and by having all documentation arrive securely and on-time at the Defense Finance and Accounting Service's payment office. The WAWF application provides complete visibility of the transactions to government and industry/vendor users throughout the process. This complete visibility of the transactions will be instrumental to the Department's successful implementation of the recovery audit programs. The recovery auditors will require access to the payment documents. The WAWF will be the optimal tool to support this need as it will allow recovery auditors to be located anywhere and still have access to payment documents.

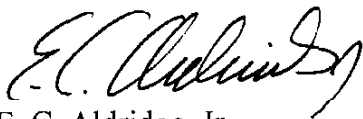
Complete implementation of WAWF will make a substantial contribution to achieving the Department's financial management and E-Government goals. More importantly, utilization of this capability enables the Department to reduce business



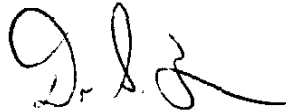
operations cost and use valuable dollars for higher DoD priorities. Your commitment is imperative if we are to achieve rapid implementation of this cost-saving capability. We will be very interested in seeing your periodic metrics relating to WAWF implementation and benefits achieved.

Information about WAWF is located at: <https://rmb.ogden.disa.mil>. The DoD Program Manager is Ms. Sherrie Chubin, Defense Information Systems Agency, (703) 681-2588. The DFAS implementation POC is Ms. Kim Pisall at (703) 602-8780. The DCMA's implementation POC is Mr. Dave Guinasso at (703) 428-1554. The POC for metric collection is Mr. William Bishop, DCMA Paperless Center, phone (703) 428-0531. Metrics formats are available at www.dcmamil/emetrics.htm.

We expect your implementation efforts to greatly accelerate with the availability of WAWF Version 2.0d and we look forward to watching your progress via your metric reporting.



E. C. Aldridge, Jr.
Under Secretary of Defense
(Acquisition, Technology
and Logistics)



Dov S. Zakheim
Under Secretary of Defense
(Comptroller)